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*Counsel for National Union Fire
Insurance Company of Pittsburgh, PA*

In re:

PURDUE PHARMA L.P., et al.,

Debtors.

Chapter 11
(Jointly Administered)

Case No. 19-23649 (RDD)

**JOINDER OF NATIONAL UNION TO CERTAIN
INSURERS' LIMITED OBJECTION TO PLAN CONFIRMATION**

National Union Fire Insurance Company of Pittsburgh, PA ("National Union") hereby submits the following joinder in support of *Certain Insurers' Limited Objection to Plan Confirmation and Reservation of Rights* (the "Objection") [ECF No. 3263]. National Union agrees with the arguments set forth in the Objection that the Sixth Amended Joint Chapter 11 Plan of Reorganization of Purdue Pharma L.P. and its Affiliated Debtors (the "Plan") appears to impermissibly impair, under the guise of insurance "neutrality," potential state law rights and defenses of National Union under its insurance policies and common law. As described more

fully in the Objection, property interests in bankruptcy are created and defined by state law. *Butner v. United States*, 440 U.S. 48, 54 (1979). Therefore, “[t]he filing of a bankruptcy petition does not alter the scope or terms of a debtor’s insurance policy....” *In re MF Glob. Holdings Ltd.*, 469 B.R. 177, 194 (Bankr. S.D.N.Y. 2012). Accordingly, a bankruptcy plan of reorganization (or other orders of a bankruptcy court) may not abridge the rights of insurers unless a provision of the Bankruptcy Code specifically authorizes that abridgement. *In re SPM Mfg. Corp.*, 984 F.2d 1305, 1311 (1st Cir. 1993) (bankruptcy courts lack authority to enter orders that “expand the contractual obligations of parties”); *In re Crippin*, 877 F.2d 594, 598 (7th Cir. 1989) (“[B]ankruptcy courts do not have the power to rewrite contracts to allow debtors to continue to perform on more favorable terms.”).

As described in the Objection, the Plan’s insurance “neutrality” provisions appear to violate applicable law by modifying insurance contracts, state law contracts, and state law rights.

WHEREFORE, National Union respectfully requests that this Court deny confirmation of the Plan in its current form for the reasons set forth in the Objection.

Dated: July 22, 2021

Respectfully submitted,

WILLKIE FARR & GALLAGHER LLP

/s/ Joseph G. Davis

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